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News Release

Josemaria Reports 2021 Year-End Results

February 25, 2022: Josemaria Resources Inc. (TSX: JOSE) (OMX: JOSE) (OTCQB: JOSMF) (“Josemaria Resources”, the “Company” or “Josemaria”), is pleased to announce its results for the year ended December 31, 2021.

Adam Lundin, Josemaria Resources’ Chief Executive Officer, comments: “As we continue to advance the Josemaria Project via Basic Engineering, a multi-faceted 65,000-metre drill program which commenced in Q4 2021, and active engagement with federal and San Juan provincial authorities in Argentina regarding ESIA approval and commercial and fiscal terms applicable to the Project, we are very pleased to have announced the proposed Transaction with Lundin Mining. Lundin Mining shares Josemaria’s vision of developing one of the next great copper mines in Argentina, and this shared vision, combined with Lundin Mining’s substantial expertise at developing and operating world-class copper projects and access to the requisite financing to construct the Josemaria Project, will be instrumental in guiding Josemaria to the next stages of development.”

TRANSACTION WITH LUNDIN MINING

On December 20, 2021 the Company announced it had entered into a binding agreement (the “Arrangement Agreement”) with Lundin Mining Corporation (“Lundin Mining”) whereby Lundin Mining will acquire all of the outstanding common shares of Josemaria (the “Transaction”).

Under the terms of the Transaction, Josemaria shareholders will receive total consideration of approximately \$625 million on a fully diluted basis, representing \$1.60 per common share. Josemaria shareholders will be able to elect to receive the consideration as either (i) \$1.60 in cash or (ii) 0.1487 of a Lundin Mining share, or some combination of cash and shares, subject to proration. The total consideration will be subject to maximum aggregate cash consideration of approximately \$183 million (representing 30% of the aggregate consideration). The consideration represents a premium of 31% and 29% to the closing price and the 10-day volume weighted average price, respectively, of Josemaria’s shares on the TSX for the period ending December 17, 2021. On closing of the Transaction, Josemaria shareholders are expected to own approximately 5% of Lundin Mining, on a partially diluted basis.

On February 17, 2022, Lundin Mining announced a semi-annual variable performance dividend of \$0.11 per Lundin Mining share to be paid to Lundin Mining shareholders. In accordance with the terms of the Arrangement Agreement, the share consideration payable pursuant to the Transaction will be adjusted such that, for each whole Lundin Mining share that is issued to a Josemaria shareholder on closing of the Transaction, \$0.11 in cash will also be paid to such Josemaria shareholder to reflect the semi-annual variable performance dividend of Lundin Mining. The cash consideration payable pursuant to the cash election or pro-ration under the Arrangement Agreement will remain unchanged.

The Transaction, which is not subject to any financing conditions, will be carried out by way of a court-approved plan of arrangement under the CBCA and will require approval by at least (1) 66⅔% of the votes cast by Josemaria

shareholders, and (2) 66⅔% of the votes cast by Josemaria security holders (comprised of shareholders and optionholders) at a special meeting expected to be held to consider the Transaction. In addition to approval by Josemaria shareholders, the Transaction is also subject to court approval, regulatory approvals, including approval by the TSX and Nasdaq Stockholm, the approval by the Swedish Financial Supervisory Authority of a Swedish prospectus regarding Lundin Mining's offer to Josemaria shareholders, and the admission of trading of the new Lundin Mining shares and other customary closing conditions for transactions of this nature. The Transaction is expected to be completed in April 2022.

As part of the Arrangement Agreement, Lundin Mining agreed to provide the Company with a loan in the principal amount of up to US\$100.0 million (the "Lundin Debenture") to fund anticipated activities of the Company between the date of execution of the Arrangement Agreement and closing of the Transaction. Any principal amount outstanding on the Lundin Debenture will accrue interest at a rate of 5.0% per annum with payments due semi-annually on the last day of June and December. The Lundin Debenture matures on June 30, 2022. On January 18, 2022, the Company received the first draw on the Lundin Debenture in the amount of US\$29.8 million.

HIGHLIGHTS

- The Company continues to advance toward sanctioning construction of the Josemaria Project. Highlights from 2021 include:
 - Project Engineering has made significant advancements to de-risk and optimize the process flowsheet with improvements in the crushing/conveying, grinding and flotation circuits and tailings facilities. An area of significant progress is the grinding circuit, where the size of the SAG mills has been reduced from 42 to 40 feet in diameter, achieved through the implementation of a 2-stage pebble crushing circuit while maintaining the 150 kilo-tonnes per day design throughput. The Project has commenced Basic Engineering with the goal of completion during the first half of 2022;
 - In Q4 2021, the Company commenced a 65,000-metre drill program, having drilled 2,400 metres in December, aimed primarily at providing development/infill geo-metallurgical data and acquiring additional site geotechnical information for key Project infrastructure and detailed mine planning. Life of mine hydrogeology and aquifer modelling will be updated with additional water well and piezometer drilling. It is anticipated that up to 8 rigs will be active at the peak of the drilling program. Management has a high degree of confidence that drilling will lead to an expansion of Indicated resources, and potentially reserves, as Inferred material becomes better defined and reclassified. Regional exploration program plans are being finalized to test targets outside the current resource but adjacent to the Project;
 - Following the submission of the Environmental and Social Impact Assessment ("ESIA") in February 2021, the Company continues to engage with the San Juan authorities in their evaluation process;
 - Plans for offsite infrastructure including access road, electrical power, and logistics studies are ongoing, aimed at finalizing plans for integration into the design of the Project during Basic Engineering; and
 - The Company has continued to aggressively recruit the team that will ultimately be responsible for constructing and commissioning the Project, including Mr. Phil Brumit who has been appointed to the role of Executive Vice President Projects and Operations and Mr. Reece Fuller who has been appointed to the role of Senior Vice President Projects. Mr. Brumit and Mr. Fuller both have decades of international mining, engineering, construction and senior leadership experience.

- During the third quarter of 2021, the Company announced the securing of two credit facilities, evidenced by debentures, totaling US\$20.0 million (collectively the "2021 Facilities"), one with Lorito Holdings S.à.r.l. ("Lorito") for US\$10.0 million (the "Lorito 2021 Facility") and one with Zebra Holdings and Investments S.à.r.l. ("Zebra") for US\$10.0 million (the "Zebra 2021 Facility"), each of which has a term of 18 months ending March 7, 2023. The Company concurrently announced the extension of the maturity dates of all other Lorito and Zebra debentures to March 7, 2023.
- During the second quarter of 2021, the Company successfully closed a private placement of 58,708,900 common shares of the Company at a price (the "Offering Price") of \$0.69 per common share for gross proceeds of \$40.5 million. Concurrently, the Company also closed a public offering (the "Offering") pursuant to which a syndicate of underwriters purchased, on a bought deal basis, 14,500,000 common shares at the Offering Price for gross proceeds of \$10.0 million, plus an over-allotment option at the Offering Price of an additional 2,175,000 common shares for gross proceeds of \$1.5 million, for total combined gross proceeds of \$52.0 million. The Company incurred related share issuance costs of \$1.4 million for net proceeds of \$50.6 million.

OUTLOOK

The Company is taking all necessary steps required to complete the Transaction with Lundin Mining which is expected to close before the end of April 2022. Operationally, the Company continues to advance the Josemaria Project following completion of the Feasibility Study in the fourth quarter of 2020 and submission of the ESIA in February 2021. In Q4 2021, the Company commenced a 65,000-metre drilling program, aimed primarily at providing development/infill geo-metallurgical data and acquiring additional site geotechnical information for key Project infrastructure and detailed mine planning. The Company has also commenced Basic Engineering, which is expected to be completed in the first half of 2022, the procurement process of long-lead equipment and the preparation of early works activities focused on providing engineering, planning and financial details. Active engagement also continues with federal and San Juan provincial authorities in Argentina, including discussions aimed at finalizing and securing commercial and fiscal terms applicable to the Project and ESIA approval.

FINANCIAL RESULTS

<i>(in thousands, except per share amounts)</i>	Three months ended		Year ended	
	December 31,		December 31,	
	2021	2020	2021	2020
Exploration and project investigation expenses	\$ 32,366	\$ 3,588	\$ 59,694	\$ 29,934
Additions of fixed assets	32,618	5	46,894	130
General and administration ("G&A")	2,356	1,692	8,588	5,753
Foreign exchange and trading gains realized on equity investments	(10,252)	(1,500)	(20,003)	(6,490)
Net loss	25,966	3,266	51,411	31,237
Basic and diluted loss per share	0.07	0.01	0.14	0.12

The Company's net loss for the year ended December 31, 2021 was \$51.4 million compared to \$31.2 million in 2020. The increase in net loss for 2021 mainly reflects the Company having conducted an increased level of engineering, environmental and other key studies focused on furthering the Josemaria Project towards development, plus the commencement of a drilling program in Q4 2021, whereas the Company did not conduct any sustained drilling programs in 2020.

General and administrative (“G&A”) costs for the year ended December 31, 2021 totaled \$8.6 million compared to \$5.8 million in 2020. Salaries and benefits increased by \$1.4 million driven by increased headcount as the Company continues to recruit key personnel needed to ultimately develop the Josemaria Project. Salaries and benefits were lower in the comparative 2020 period as voluntary salary reductions were in effect during the year for the senior management group. Share-based compensation costs also increased by \$1.1 million during 2021 as a result in increasing headcount. Share-based compensation is a non-cash charge reflecting the expense associated with the vesting of outstanding stock options during the period.

Exploration and project investigation expenses of \$59.7 million were incurred in 2021, as compared to \$29.9 million incurred during 2020. During 2021, the Company’s primary exploration and project investigation expenses consisted of engineering and optimization studies, expenses associated with supporting the ongoing ESIA approval process in Argentina, commercial and fiscal studies and negotiations, environmental baseline studies, roadwork and related studies, and community relations. The Company also began adding key employees to the team responsible for Project execution.

During the year ended December 31, 2021, the Company incurred \$46.9 million of fixed asset acquisition costs (2020 – \$9,226) including the acquisition of camp assets related to the field season which commenced in Q4 2021 (\$19.7 million) and commitments related to long-lead procurement assets (\$22.8 million) to be used in eventual mine construction.

From time to time, as part of the capital funding process from the Canadian parent to the Argentinian subsidiary, the Company will purchase equity instruments via a third-party investment broker. The equity instruments are transferred from the parent to the subsidiary and held for a pre-determined period, and then sold. The Company conducts such transactions on an intra-period basis and does not hold the equity instruments at period end. Upon receipt of the transferred equity instruments by the local investment broker, the Company realizes an immediate foreign exchange impact. This foreign exchange impact is incurred directly as a result of holding equity instruments with the intention of trading, and as such the foreign exchange impact is also recognized through profit and loss. For the year ended December 31, 2021, the Company realized a trading loss of \$3.7 million (2020 – \$1.6 million) offset by a foreign exchange gain of \$23.7 million (2020 – \$8.0 million) as a result of holding the equity instruments for a net realized gain of \$20.0 million (2020 – \$6.4 million). The increase in net gain is the result of the Company having conducted a higher dollar value of such transactions during 2021 than in 2020 as a result of funding increased in-country activity in Argentina.

During the year ended December 31, 2021, the Company recognized a net monetary loss of \$0.4 million (2020 – \$0.4 million) in relation to the application of hyper-inflationary accounting for the Company’s Argentinian subsidiary, which began July 1, 2018. In other comprehensive loss, the Company recognized a gain of \$5.2 million resulting from the impact of hyper-inflation which consists of adjustments recognized on the continuing inflation of opening non-monetary balances during the year ended December 31, 2021 (2020 – \$0.7 million) and the ongoing translation of the Company’s Argentinian subsidiary into the Canadian dollar presentation currency following July 1, 2018, as mentioned above. A detailed discussion regarding the application of hyper-inflationary accounting has been provided in Note 4 to the Company’s 2021 audited consolidated Financial Statements.

SELECTED FINANCIAL INFORMATION

<i>(in thousands)</i>	December 31, 2021	December 31, 2020
Cash	\$ 2,630	\$ 6,741
Working capital deficit	(27,566)	(24,748)
Mineral properties	12,401	10,065
Total assets	69,362	19,745
Total liabilities	(71,730)	(32,101)

The Company does not currently generate income from operations. Please refer to the Transaction With Lundin Mining section above detailing the proposed transaction which is anticipated to close before the end of April 2022. As part of the Arrangement Agreement, Lundin Mining agreed to provide the Company with a loan in the principal amount of up to US\$100.0 million (the “Lundin Debenture”) to fund anticipated activities of the Company between the date of execution of the Arrangement Agreement and closing of the Transaction. If the transaction with Lundin Mining does not complete or is delayed, the Company anticipates that it will need further funding in order to advance the Josemaria Project. Historically, capital requirements have been funded through equity financing, joint ventures, disposition of mineral properties and investments, and the use of credit facilities with related parties. While management is confident that additional sources of funding will be secured to fund planned expenditures, factors that could affect the availability of financing include the progress and results of ongoing exploration and project investigation activities at the Josemaria Project, the state of international debt and equity markets, investor perceptions and expectations of the global copper, gold, and/or silver markets, and the ongoing novel coronavirus (“COVID-19”) pandemic. If necessary, the Company may explore opportunities to revise the due dates of its liabilities, and/or settle its liabilities through the issuance of common shares and other equity instruments. Based on the amount of funding raised, the Company’s planned initiatives and other work programs may be postponed, or otherwise revised, as necessary.

QUALIFIED PERSONS

The technical information in this press release has been reviewed and approved by Mr. Bob Carmichael, P. Eng. (BC), the Company’s Vice President of Exploration, and Mr. Dustin Smiley, P. Eng. (BC), the Company’s Engineering Manager. Both Mr. Carmichael and Mr. Smiley are Qualified Persons under National Instrument 43-101 Standards of Disclosure for Mineral Projects.

ABOUT JOSEMARIA

Josemaria Resources Inc. is a natural resources company focused on developing its advanced stage, 100% owned Josemaria Copper-Gold Project in the San Juan Province of Argentina. A recently published Feasibility Study (see “*NI 43-101 Technical Report, Feasibility Study for the Josemaria Copper-Gold Project, San Juan Province, Argentina*” dated effective September 28, 2020 and filed on November 5, 2020) demonstrates a simple and conventional open pit copper-gold project with robust economics and a rapid payback period. Josemaria is a Lundin Group company and works in partnership with the Lundin Foundation to execute best practices in responsible mineral development in Argentina where the Lundins have a 30-year track record of value creation. The Company is a reporting issuer in all

Provinces and its corporate head office is in Vancouver, BC. The Company's shares are listed on the TSX and on Nasdaq Stockholm under the symbol "JOSE", and trade on the OTCQB under the symbol "JOSMF".

ADDITIONAL INFORMATION

This is information that the Company is obliged to make public pursuant to the Swedish Financial Instruments Trading Act. The information was submitted for publication, through the agency of the contact person set out below, on February 25, 2022, 17:00 EST.

On behalf of the Board of Directors of Josemaria Resources,

Adam Lundin,
President and CEO

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TSX: JOSE | OTCQB: JOSMF | Nasdaq Stockholm: JOSE | WKN: A2PN5S | ISIN: CA48086P1009

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This press release includes certain "forward-looking information" and "forward-looking statements" (collectively "forward-looking information") within the meaning of applicable securities legislation. All statements, other than statements of historical fact, included herein, including, without limitation, the Company's plans and expectations regarding the Josemaria Project, future price of copper, gold and silver; the results of the Feasibility Study and expected timelines; the timing and amount of estimated future production; net present values and internal rates of return at the Josemaria Project; recovery rates; payback periods; costs of production; capital expenditures; costs and timing of the development of the Josemaria Project; mine life; the potential future development of the Josemaria Project and the future operating or financial performance of the Company; the impact of COVID-19 on the Company's operations, hyper-inflationary accounting, the effect of government regulations (or changes thereto) with respect to restrictions on production, export controls and duties, income taxes, royalties, expropriation of property, repatriation of profits, environmental legislation, land use, water use, mine safety, approval processes and the receipt of necessary permits are forward-looking information. Forward-looking information is frequently, but not always, identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible", and similar expressions, or statements that events, conditions, or results "will", "may", "could", or "should" occur or be achieved. These forward-looking statements may also include statements regarding perceived merit of properties; exploration plans and budgets; mineral reserves and resource estimates; work programs; capital expenditures; timelines; strategic plans; market prices for precious and base metals; or other statements that are not statements of fact. In addition, statements relating to "mineral resources" and

“mineral reserves” are deemed to be forward-looking information, as they involve the implied assessment, based on certain estimates and assumptions that the mineral resources and mineral reserves described can be profitably produced in the future.

Forward-looking information involves various risks and uncertainties. There can be no assurance that such information will prove to be accurate, and actual results and future events could differ materially from those anticipated in such information. Important factors that could cause actual results to differ materially from the Company's expectations include the Company's ability to finance the development of its Josemaria Project; commodity price fluctuations; assumptions and discount rates being appropriately applied to the Feasibility Study, uncertainty as to whether there will ever be production at the Company's Josemaria Project and any other future mineral exploration and development properties; risks related to the Company's ability to commence production and generate revenues or obtain adequate financing for its planned exploration and development activities; risks related to lack of infrastructure including but not limited to the risk whether or not the Josemaria Project will receive the requisite permits and, if it does, whether the Company will build the Josemaria Project; risks related to inclement weather which may delay or hinder activities at the Company's mineral properties; risks related to the Company's dependence on third parties for the development of its projects; uncertainties relating to the assumptions underlying resource and reserve estimates; mining and development risks, including risks related to infrastructure, accidents, equipment breakdowns, labor disputes, bad weather, non-compliance with environmental and permit requirements or other unanticipated difficulties with or interruptions in development, construction or production; the geology, grade and continuity of the Company's mineral deposits; the uncertainties involving success of exploration, development and mining activities; permitting timelines; risks pertaining to the outbreak of the global pandemics, including COVID-19; government regulation of mining operations; environmental risks; unanticipated reclamation expenses; prices for energy inputs, labour, materials, supplies and services; uncertainties involved in the interpretation of drilling results and geological tests and the estimation of mineral reserves and mineral resources; the need for cooperation of government agencies and indigenous groups in the development and operation of properties including the Josemaria Project; unanticipated variation in geological structures, metal grades or recovery rates; fluctuations in currency exchange rates; unexpected cost increases in estimated capital and operating costs; the need to obtain permits and government approvals; uncertainty related to title to the Company's mineral properties, anticipated use of proceeds from financings, the ability of the Company to satisfy the conditions of the terms and conditions of the debentures issued pursuant credit facilities, including repayment thereof upon their respective maturity dates and the issuance of Common Shares thereunder and other risks and uncertainties disclosed in the Company's periodic filings with Canadian securities regulators and in other Company reports and documents filed with applicable securities regulatory authorities from time to time, including the Company's Annual Information Form available under the Company's profile at www.sedar.com. In addition, these statements involve assumptions made with regards to the Company's ability to develop the Josemaria Project and to achieve the results outlined in the Feasibility Study; the ability to satisfy the terms and conditions precedent of the Arrangement Agreement (as defined herein) in order to consummate the Transaction (as defined herein), the ability to obtain all necessary regulatory approvals in connection with the Transaction in a timely manner or at all, the ability of Lundin Mining (as defined herein) to obtain all necessary regulatory approvals in connection with the Transaction in a timely manner or at all, the ability to raise the capital required to fund construction and development of the Josemaria Project; and the results and impact of future exploration at the Josemaria Project. The Company's forward-looking information reflects the beliefs, opinions, and projections on the date the statements are made. The Company assumes no obligation to update the forward-looking information or beliefs, opinions, projections, or other factors, should they change, except as required by law.